



CENTER FOR TRANSPORTATION STUDIES

[Research](#)[Events](#)[Education & Careers](#)[Publications](#)[Faculty & Staff](#)[About CTS](#)[Catalyst](#)[Journal of Transport & Land Use](#)[Freight and Logistics E-News](#)[Videos](#)[Annual Reports](#)[Research Reports](#)[Research Summaries](#)[Proceedings](#)[Library Services](#)[Subscribe to Newsletters & Announcements](#)[Order Publications](#)

Freight and Logistics E-News November 2007 (Vol. 5, No. 3)

[Current Issue](#) | [Previous Issues](#) | [Subscribe](#)

[Freight and Logistics Symposium scheduled for November 30](#)
[Study examines high driver turnover in \\$96 billion trucking industry](#)
[U of M supply-chain management program, November 2007](#)
[Commercial Truck and Bus Safety Synthesis Program publications available](#)
[Driving dangerously, risking employment](#)

11th annual Freight and Logistics Symposium

Freight Planning in an Uncertain World; scheduled for November 30

The 11th annual Freight and Logistics Symposium will be held on **November 30, 2007**, at the Four Points Sheraton Metrodome in Minneapolis. This year's symposium will address the impacts of rapid change on freight movements in the Midwest. Representatives from the business community, academia, and the public sector will participate in panels discussing current freight challenges and public policy alternatives in response to rapid change. Topics will include ethanol transportation requirements, the shift from imports to exports, competition for containers, truck-weight impacts on roads, intermodal needs, the special needs of medium-sized manufacturers, and emerging industries. Richard Stewart, director of the Transportation and Logistics Research Center, University of Wisconsin—Superior, will make the keynote presentation, focusing on the rapid economic change across the Midwest.

For more information, please visit our [Web site](#), or contact Julie Grazier at 612-624-3708 or ceeconf5@umn.edu.

Study examines high driver turnover in \$96 billion trucking industry

Turnover among truck drivers is raising huge cost and retention concerns for some of the biggest trucking companies in the country, according to University researcher Stephen Burks.

Burks, an associate professor of economics and management at University of Minnesota Morris, discussed early findings from a study of new truckload (TL) hires at the September meeting of the CTS Transportation and the Economy Research Council. His presentation, titled "Context, Design, and Some Early Results from the Truckers and Turnover Project," was part of the [CTS Research Seminar Series](#) for students, faculty, and practitioners.

TL, which is basically point-to-point service in an industry that also includes parcel and less-than-truckload (LTL) service, accounts for \$96 billion in annual revenues and employs 828,000 people. In 2004, the American Trucking Association reported that small truckload companies experienced a 91 percent turnover and large truckload companies had a 121 percent turnover.

Burks characterized TL drivers as the archetypal non-knowledge workers in the "knowledge," or new service, economy. What's more, it costs thousands to hire and train those drivers. "When you have a bad match, it can be costly to both sides," he said. "Financial considerations are an important motivator for this work."

Burks is leading a multidisciplinary team of researchers in the Truckers and Turnover project, for which outside partnerships have played a key role, especially in data collection. Project sponsors include a motor carrier, the trucking industry program at the Georgia Institute of Technology, the MacArthur Foundation, the Sloan Foundation, the Federal Reserve Bank of Boston, and the University of Minnesota Morris.

Burks's research concluded that long and irregular weekly work hours, little predictability on time at home, and the stresses of operating a big rig lead to high turnover.

Truck drivers typically go through a month of training, which includes two weeks of basic training and two weeks on the road. Most companies will cover the cost of this training for new drivers if they sign a one-year contract.

Burks's research, conducted in 2006 and 2007, showed a big spike in turnover after training was complete and again at the end of the first year. After the first year, most drivers don't owe the company anything for their training and are more employable elsewhere.

Of 1,069 new drivers studied, only 39 percent remained on the job, while 15 percent were discharged and 46 percent voluntarily quit. Drivers' opinions of the job were associated with their exit: those who quit didn't think they got home enough, while those on the job were more positive.

The research also concluded that both the continuing drivers and those who quit didn't think they were paid enough for the work they do. Drivers earn about \$35,000 their first year and above \$40,000 after that year.

For trucking companies, balancing employee happiness and turnover costs is one of the biggest challenges. Total cost of "effective TL labor" includes turnover costs (recruitment, training, safety), wage cost (paying a higher positive compensating differential), and productivity cost (improving working conditions reduces productivity).

Firms must trade these costs against each other, but most only offer a modest wage premium and demand high productivity, which leads to high turnover.

U of M supply-chain management program, November 2007

The Carlson Executive Development Center at the University of Minnesota is hosting a 2–1/2-day program on supply-chain management from **November 12 to 14, 2007**. Participants will examine the latest challenges facing supply chains in light of increased globalization and security concerns, industry consolidation, and rising customer expectations. Faculty experts in inventory and distribution management, strategic sourcing, and technology management draw from the latest supply chain research and best practices to develop an exciting and timely curriculum.

The program fee of \$2,500 includes tuition, program materials, coffee breaks, and lunches. For more information on the [Supply Chain Management program](#) or to register online, visit the [Carlson Executive Development Center Web site](#). E-mail: edc@carlsonschool.umn.edu, or call 612-624-2545 or 800-388-3863.

Commercial Truck and Bus Safety Synthesis Program publications available

The federal Commercial Truck and Bus Safety Synthesis Program (CTBSSP), sponsored by the Federal Motor Carrier Safety Administration and administered by the Transportation Research Board, compiles knowledge from sources relating to specific commercial truck and bus safety issues. CTBSSP publications are online at www.trb.org/crp/ctbssp/ctbssp.asp.

Here is a recent CTBSSP publication, with a summary from the TRB Web site:

- *Synthesis 14: The Role of Safety Culture in Preventing Commercial Motor Vehicle Crashes*. This synthesis explores developing and enhancing a culture of safety among commercial motor vehicle drivers. The report also examines steps for increasing a safety culture.
- *Synthesis 15: Health and Wellness Programs for Commercial Drivers*. This synthesis describes commercial truck and motor coach driver health risks. The report examines the association between crash causation and functional impairments and elements of employee health programs that could be applied or already exist for commercial drivers.

Driving dangerously, risking employment

Minnesotans with commercial driver's licenses who drive dangerously while off the clock risk much more than fines or higher insurance premiums: they're risking their livelihoods.

Minnesota adopted a set of federal regulations in August 2005 that tightened restrictions on commercial driver's licenses (CDLs) to reduce commercial crashes. In some instances under the new code, serious offenses in non-commercial vehicles can disqualify a driver from earning a commercial license for anywhere from 60 days to life.

Dick Norberg, a Mn/DOT program specialist in the Office of Freight and Commercial Vehicle Operations, said drivers didn't immediately understand what the changes meant. "Initially, I'd say it wasn't clear" to drivers why offenses in a personal vehicle would affect their employment, he said.

A first-time conviction for driving under the influence of alcohol or a controlled substance in any vehicle, for instance, means a one-year disqualification for a CDL holder, the same penalty as if the driver had been operating a commercial vehicle at the time. Other non-commercial vehicle offenses that carry one-year disqualifications: refusing to be tested for DUI, leaving the scene of an accident, and using the vehicle to commit a felony.

A disqualification, Norberg said, "may mean loss of employment."

More severe disqualifications—three years or lifetime—occur as a result of many second-time or more serious offenses, such as using any vehicle in the commission of a felony involving manufacturing, distributing, or dispensing a controlled substance. That particular offense is a life disqualification without the possibility of a 10-year reinstatement, a particularly bad career move.

Even traffic violations can be cause for a disqualification period. A CDL holder gets a 60-day disqualification for racking up two convictions of any combination of the following over three years if they result in him or her losing driving privileges: speeding 15 mph or more over the posted speed limit, reckless driving, improper or erratic lane changes, following too close, or any violation in connection with a fatal accident. A third conviction in the same time span is a 120-day disqualification.

But thanks to an active transportation association network and an informative Web page, word spread of the new consequences of driving dangerously outside of the cab of a commercial vehicle. Two years later, Norberg said, drivers are well-aware of the penalties and understand that if their employment depends on a CDL, they had better stay on the friendly side of the law.

A full list of driver disqualifications and penalties is available at: www.fmcsa.dot.gov/rules-regulations/administration/fmcsr/fmcsrruletext.asp?section=383.51.

Reprinted from the *Fall 2007 Technology Exchange*, newsletter of *Minnesota LTAP*.

COMMENTS We would like to hear what you think of CTS Freight & Logistics E-News. Please respond to this message or e-mail us at cts@umn.edu.

CTS Director: Robert C. Johns Managing Editor: Pamela J. Snopl Editor: Michael McCarthy Librarian: Arlene Mathison Graphic Designer: Cadie Wright Publications Interns: Emily Kaiser, James Hammerand



Center for Transportation Studies
University of Minnesota
200 Transportation & Safety Building

511 Washington Ave SE
Minneapolis, MN 55455
Phone: 612-626-1077

Fax: 612-625-6381
E-mail: cts@umn.edu
[Location & Contact Information](#)

© 2005-2015 Regents of the University of Minnesota. All rights reserved.
The University of Minnesota is an equal opportunity educator and employer.
Last modified on October 30, 2013

Twin Cities Campus: [Parking & Transportation](#) [Maps & Directions](#)

[Directories](#) [Contact U of M](#) [Privacy](#)